



## Administrative Regulation

## Employee Benefits

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| <b>Policy #</b>        | 03-03.03          |
| <b>Effective Date:</b> | September 1, 2020 |
| <b>Revision Date:</b>  | April 25, 2022    |
| <b>Owner:</b>          | Human Resources   |

### Purpose:

To provide comprehensive benefits, services and programs to eligible employees and their dependents.

### Scope:

This regulation applies to all employees.

### Policy:

All full-time, part-time, and limited duration employees who are budgeted to work twenty (20) or more hours per week are eligible and required to enroll in City paid benefits established in this policy. Employees may also enroll their spouse or domestic partner, children, stepchildren, and children of their domestic partner in plans that provide coverage beyond employee only coverage. Provisions of collective bargaining agreements prevail for bargaining unit employees, and the plan document prevails if there is a conflict between this document and the benefit plan documents. All part-time employees budgeted to work less than twenty (20) hours per week, temporary and seasonal employees, and employees contracted through a temporary agency are not entitled to the benefits established in this benefits.

All medical records are maintained by the City's insurance providers and are considered confidential medical records. The City will abide by the Federal Health Insurance Portability and Accountability Act (HIPAA) privacy standards law requirements.

The procedural section of this document should be recognized as general guide.

### Procedure:

#### 1. Medical, Dental and Vision Insurance

1.1. The City provides medical, dental, and vision insurance coverage for eligible employees, their spouse or domestic partner and their dependents including stepchildren and children of their domestic partner.

1.1.1. Enrollment forms must be completed by the employee and new coverage goes into effect on the first of the month following date of hire or date of hire if it coincides with the first calendar day of the month.

- 1.1.2. Dependent enrollment must be the same for both the medical and dental enrollment.
- 1.1.3. The Declaration of Marriage or Domestic Partnership form must be completed to enroll a spouse or a domestic partner on the City's health insurance plan. The form must be signed by both parties and submitted to Human Resources with the benefit enrollment forms.
- 1.2. The City covers 90% of the premium and the employee is responsible for 10%. The tax treatment for premiums follows the federal and state laws.
  - 1.2.1. Premiums paid by the employer to cover an employee, spouse and children/stepchildren are nontaxable with the employee portion for the spouse and children/stepchildren being deducted pre-tax.
  - 1.2.2. Premiums paid by the employer to cover a domestic partner and the domestic partner's child(ren) are taxable and the imputed value will be added to the employee's taxable earnings with the employee portion to cover the domestic partner/domestic partner's child(ren) being deducted after-tax.
    - 1.2.2.1. If an employee is in a registered same sex domestic partnership that has been filed with the County Clerk, the state does not tax the imputed value but there are individual steps the employee must take when filing taxes as the City will add the taxable value to both the federal and state wages.
  - 1.2.3. Premiums paid by the employer to cover a domestic partner and or child(ren) of a domestic partner who qualifies as a tax dependent are nontaxable with the employee portion being deducted pre-tax.
    - 1.2.3.1. If an employee has a domestic partner who is also their qualified tax dependent, the employee must complete and submit the Declaration of Tax Qualified Status form to Human Resources annually at open enrollment.

## 2. Health Reimbursement Account

- 2.1. The City funds a Health Reimbursement Account (HRA) to offset the annual medical deductible. The HRA runs concurrent with medical plan enrollment for each eligible employee with \$100 per month for single enrollment under the medical plan or \$200 for two-party and family enrollment. HRA funding will be pro-rated for a partial year of employment. Un-used funds roll over annually.
  - 2.1.1. Enrollment forms must be completed by the employee and coverage goes into effect on the first day of the month following date of hire or date of hire if it coincides with the first calendar day of the month.

2.2. Employees enrolled as a single participant who waive coverage on eligible dependent(s) are eligible to receive the two-party/full-family HRA amount (pro-rated for partial year). To get the higher HRA amount, the employee must submit proof annually at open enrollment showing the dependent relationship and proof of other medical coverage and the waived dependent must be enrolled in the HRA plan as a dependent.

2.2.1. The HRA contribution is nontaxable unless the employee covers a domestic partner/domestic partner child(ren). If the employee covers a domestic partner or domestic partner's child(ren), half of the monthly contribution is taxable and will be added to the employee's taxable earnings.

### 3. Springfield Wellness Center

3.1. Eligible employees and enrolled dependents age four (4) and older that are covered under the City Medical Insurance plan are eligible to use the Wellness Center at no additional cost.

### 4. Life Insurance

4.1. The City provides group life insurance for eligible employees equal to one times the employee's annual salary up to \$200,000.

4.1.1. Employees are automatically enrolled upon hire with coverage being effective the date of hire.

4.1.2. The premium for the first \$50,000 of group-term life insurance is nontaxable. The premium paid by the City for the value of coverage in excess of \$50,000 (computed according to IRS regulations) is added to the employee's taxable income.

4.2. Supplemental life insurance is available for eligible employees to purchase along with coverage for spouse or domestic partner and dependent child(ren)/domestic partner's child(ren).

4.2.1. Enrollment forms must be completed, and coverage goes into effect on the first of the month following date of hire or date of hire if it coincides with the first calendar day of the month.

4.2.2. The premium is paid by the employee after-tax and the cost is based on age.

4.2.3. The benefit paid by the third party insurer is nontaxable.

### 5. Accidental Death & Dismemberment Insurance

5.1. The City provides accidental death and dismemberment insurance to eligible employees equal to one times the employee's annual base salary up to \$200,000.

5.1.1. Employees are automatically enrolled upon hire and coverage is effective at date of hire.

5.1.2. The premium is paid by the City and is nontaxable.

5.2. Supplemental Accidental Death & Dismemberment (AD&D) Insurance is available for eligible employees to voluntarily purchase with an option for family coverage.

5.2.1. Enrollment forms must be completed, and coverage goes into effect on the first of the month following date of hire or date of hire if it coincides with the first calendar day of the month.

5.2.2. The premium is paid by the employee after tax.

5.2.3. The benefit paid by the third-party insurer is nontaxable.

## 6. Mandatory Life Insurance

6.1. The provides state required Employee Occupational Death Insurance (Mandatory Life Insurance) for eligible Firefighters and Police Officers equal to \$10,000.

6.1.1. Enrollment forms must be completed and coverage goes into effect on the hire date.

6.1.2. The premium is paid by the City and is nontaxable unless the combined value of the group term life insurance and the mandatory life insurance is greater than \$50,000. If the value of coverage is greater than \$50,000, the premium paid for by the city for the value of coverage in excess of \$50,000 (computed according to IRS regulations) is added to the employee's taxable income.

6.1.3. The benefit paid by the third-party insurer is nontaxable.

## 7. Disability Insurance

7.1. The City provides eligible employees with Long Term Disability (LTD) insurance coverage.

7.1.1. Employees are automatically enrolled upon hire with coverage being effective on the first day of the month following hire or the first of the month if the employee is hired on the first.

7.1.2. The premium is nontaxable but the benefit paid by the third party to the employee is taxable income.

7.2. Short Term Disability (STD) insurance is available for eligible employees to voluntarily purchase.

7.2.1. Enrollment forms must be completed, and coverage goes into effect on the first of the month following date of hire or date of hire if it coincides with the first calendar day of the month.

7.2.2. The premiums are paid by the employee after tax and the disability benefit payments from the third party are non-taxable.

## 8. Retirement

### 8.1. *Public Employees Retirement System (PERS)*

8.1.1. The Oregon PERS program enables Oregon public employers to provide employees with retirement benefits as part of their total compensation package. Retirement benefits and eligibility is based on a tiered benefit system. Eligible employees will be enrolled in one of the retirement programs tiers as administered by PERS.

8.1.2. For additional information please to the PERS website at:  
[www.oregon.gov/PERS/pages/index.aspx](http://www.oregon.gov/PERS/pages/index.aspx).

### 8.2. *City Retirement Plan*

8.2.1. Established in May of 1963, this legacy money purchase pension plan is restricted to currently enrolled employees in the Police Department hired at the City in a qualifying position. Specific details regarding the City Retirement Plan are available at the Human Resources Department.

## 9. FireMed Membership

9.1. The City pays for basic FireMed membership for all eligible City employees and their eligible household members. The benefit is limited to FireMed service areas.

## 10. Retirement Savings Deferred Compensation- 457(b)

10.1. The City sponsors deferred compensation plans which are voluntary savings plans offered to eligible employees to help save for retirement on a pre-tax basis. Deferred compensation for public employees is allowed and regulated under Internal Revenue Code (IRS) Section 457b. Employees may enroll at any time. Contribution changes are effective in the month following the month the election is made, per IRS rules.

## 11. Flexible Spending Account

11.1. The City offers a Flexible Spending Account (FSA) plan that was established under Section 125 of the Internal Revenue Code. Flexible spending accounts allow participants to be reimbursed for certain eligible medical and dependent care expenses with before-tax dollars.

11.2. FSA is voluntary and must be elected annually.

## 12. Qualifying Events

12.1. It is the employee's responsibility to notify the Human Resources Department within thirty (30) days of any and all personal changes that would affect the employee's insurance benefits and benefit records. These changes include but are not limited to:

12.1.1. Births, deaths, marriages, divorces, domestic partnerships, termination of domestic partnership and adoptions

12.1.2. A dependent that is no longer eligible for coverage due to reaching age 26

12.1.3. Dependent loses benefit coverage.

12.2. Employees who do not comply with this requirement and for whom the City pays insurance premiums for ineligible dependents may be required to reimburse the City for those expenditures.

## 13. Loss of Benefit Eligibility

13.1. If an employee retires, terminates employment or is no longer benefit eligible during a month, active coverage will end at the end of the month.

13.2. Continuation options will be offered in accordance with the Continuation of Health Insurance under Consolidated Omnibus Budget Reconciliation Act (COBRA).

13.3. There are qualifying events under COBRA that entitle an employee and their dependents to continue participating in the City's group health insurance plans for a prescribed period of time, usually eighteen (18) months, after leaving City employment. The City will send eligibility paperwork to employees and/or dependents who qualify for COBRA.

13.4. In certain circumstances, such as employee's divorce or death or a dependent ceasing to be eligible for coverage, the length of coverage period may be longer for qualified dependents. COBRA coverage is not extended to employees who are terminated for gross misconduct.

## **Definitions**

1. "*Dependent(s)*" for the purpose of medical/dental benefits include the employees:

- 1.1. Legal spouse or your domestic partner.
- 1.2. Your spouse's, or your domestic partner's children under age 26 regardless of the child's place of residence, marital status, or financial dependence on you.
- 1.3. Your spouse's, or your domestic partner's unmarried dependent children aged 26 or older who are mentally or physically disabled. To qualify as dependents, they must have been continuously unable to support themselves since turning age 26 because of a mental or physical disability.
2. "*Firefighter*" is defined as any person who is employed by a public employer and whose duties involve firefighting.
3. "*Domestic Partnership*" shall mean two persons in which the partners:
  - 3.1. Jointly share the same permanent residence and intend to continue to do so indefinitely;
  - 3.2. Are committed to each other to the same extent as married persons are committed to each other, except that the partners do not have the status of a traditional marriage and have not undergone the traditional solemnities;
  - 3.3. Are not legally married to anyone;
  - 3.4. Are each eighteen (18) years of age or older or are emancipated minors as recognized under Oregon law;
  - 3.5. Are not related to each other by blood in a degree of kinship which would bar marriage in the State of Oregon;
  - 3.6. Were mentally competent to contract when the domestic partnership began;
  - 3.7. Are each other's sole domestic partner; and
  - 3.8. Are financially inter-dependent and jointly responsible to each other for basic living expenses, such as the cost of basic food, shelter, and any other expenses of the domestic partnership which are paid at least in part by a program or benefit for which the partner qualified because of domestic partnership (ex. rent, mortgage, insurance, utilities).
4. "*Full-time*" is a position which is scheduled for an average of forty hours per week for a period longer than six months.
5. "*Part-time*" is a position which is scheduled for an average of thirty-nine hours or less per week for a period of six months or longer.
6. "*Police officer*" is defined as any police chief or law enforcement officer employed by a city in Oregon who is classified as a police officer by the governing body of the city.
7. "*Position*" is a set of tasks, duties, and responsibilities assigned to one person within a classification by an authorized management personnel.
8. "*Temporary*" is a full-time or part-time position which is normally seasonal, is not budgeted throughout the fiscal year, and which will not last longer than six months.

**Resources:***Administrative Regulations:*

1. [Retirement Benefits \(03-03.02\)](#)
2. [HRA VEBA Plan](#)

*Forms:*

1. [Domestic Partnership Benefits and Taxable Value Overview](#)
2. [Declaration of Marriage or Domestic Partnership](#)
3. [Declaration of Tax Qualified Status of Domestic Partner and Domestic Partner Child\(ren\)](#)
4. [Termination of Domestic Partnership, Health Insurance Coverage or Tax Status \(form\)](#)

*Websites:*

1. [Human Resources - Benefits](#)
2. [Benefit Changes](#)
3. [The Hartford](#)
4. [MODA/Delta Dental](#)
5. [PacificSource Health Plans](#)
6. [Oregon PERS](#)
7. [Cascade Heath Behavioral Health & EAP](#)



**CREATION (Original):**

|  |                            |               |           |
|--|----------------------------|---------------|-----------|
| This administrative regulation is in effect as of the date of my signature. I authorize the Human Resource Director to modify the history and resources sections and header, footer, and numbering without my reauthorization. The administrative regulation remains in effect should these revisions occur. |                            |               |           |
| <b>Approved By:</b>  | Nancy Newton, City Manager | <b>Dates:</b> | 8/06/2020 |
| <b>Author:</b> Chaim Hertz, Director of Human Resources  |                            |               |           |
| <b>Responsible Party:</b> Human Resources  |                            |               |           |
| <b>Replaces:</b> Rule 12.2 of the City's Personnel Policy and Procedure Manual   |                            |               |           |

**PERIODIC REVIEW:**

|                  |  |              |           |
|------------------|--|--------------|-----------|
| <b>Reviewer:</b> | Chaim Hertz, Director of Human Resources | <b>Date:</b> | 9/28/2021 |
| <b>Reviewer:</b> |  | <b>Date:</b> |           |
| <b>Reviewer:</b> |  | <b>Date:</b> |           |
| <b>Reviewer:</b> |  | <b>Date:</b> |           |
| <b>Reviewer:</b> |  | <b>Date:</b> |           |

**REVISIONS:**

|                    |                                   |  |              |                |
|--------------------|-----------------------------------|--|--------------|----------------|
| <b>Version #2:</b> | <b>Responsible Party:</b>         | Human Resources  |              |                |
|                    | <b>Revised By:</b>                | Chaim Hertz, Human Resources Director  |              |                |
|                    | <b>Approved By:</b>               | Nancy Newton, City Manager   | <b>Date:</b> | April 22, 2022 |
|                    | <b>Reason/Summary of Changes:</b> | Merged and then retired the Domestic Partner Benefits Administrative regulation. |              |                |